BANGLADESH: Emerging Footwear Tiger

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INDIA

CHINA

BANGLADESH

POPULATION 166 MN
1.6% GROWTH
28.4% URBAN

GATEWAY TO ASEAN
CHINDIA - ADVANTAGE

YOUNG POPULATION (mn)
2 mn WORKERS EVERY YEAR
78.6 mn LABOR FORCE
47 mn YOUNG PEOPLE

Source: http://www.thedailystar.net/rise-of-youth-5104
GROWING ECONOMY

2nd FASTEST GROWING ECONOMY IN SOUTH ASIA

MANUFACTURING: JOB CREATION IS PRIORITY # 1

7.11%  
GDP Growth in 2015-16

5.71%  
Monthly Average Inflation Rate

5%  
Predictable Wage Growth for workers

ALREADY Achieved lower-mid income country Status

http://www.tradingeconomics.com/bangladesh/currency
https://www.bb.org.bd/econdata/inflation.php
2nd Largest RMG Exporter

2015 Estimated Export Value $25 bn

31% Annual Growth 5600+ Factories
5 mn+ Workers, 80% women

77% Factories Inspected under NTPA (National Tripartite Plan of Action for Fire & Structural Safety) with ILO supervision

1286 Factories inspected under Accord Alliance

“Garment Factories are now safer after inspections” Rob Wayss, ED Accord, BD
The Daily Star, May 17, 2015

http://www.thedailystar.net/business/garment-factories-now-safer-after-inspections-82690
INDUSTRY STRUCTURE
• Around 220 tanneries, 2500 footwear making units (150 export units) and 90 large firms
• In 2015-16, leather and leather goods export touched $1.16 billion
• Almost 90% of finished products are being exported
• Currently exporting to 53 Countries

GROWTH PATTERN
• The compound annual growth rate in export earnings over the last five years was over 25%
• EMERGED as 2nd Largest Export Sector
• Bangladesh ranked 17 (Position) in the List of Leather Shoes Exporting Countries 2015

BANGLADESH
Accounts for 1.8% cattle & 3.7% goat of global livestock

LEATHER SECTOR: 2nd Largest Export Earner
FOOTWEAR BRANDS ALREADY SOURCING FROM BANGLADESH
GLOBAL FOOTWEAR INDUSTRY TRENDS

GLOBAL FOOTWEAR PRODUCTION
CHINESE PRODUCTION DECREASED SOME 5% AND ITS MARKET SHARE DROPPED TO 59.1%
THERE IS NOW NO EU COUNTRY IN 10 MANUFACTURERS OF FOOTWEAR
AFTER INDIA, VIETNAM AND INDONESIA, BANGLADESH HAS EMERGED ANOTHER MAJOR ASIAN FOOTWEAR PRODUCING COUNTRY

GLOBAL FOOTWEAR IMPORT
EU LEADS FOOTWEAR IMPORTS, SHARE CONTINUES TO DECREASE AND NOW DOWN TO 36%
BELGIUM HAS ENTERED INTO THE TOP 10 FOOTWEAR IMPORTING COUNTRIES

GLOBAL FOOTWEAR EXPORTS
8 OUT OF THE TOP 15 EXPORTERS OF FOOTWEAR, IN TERMS OF VALUE, ARE EUROPEAN COUNTRIES

Source: www.worldfootwear.com
WHY INVEST IN BANGLADESH?

COMPETITIVE LABOR COST (1/5th of CHINA, ½ of India)
PREFERENTIAL MARKET ACCESS – EU, USA, Japan, Korea, Australia, India, China

300 mn SQFT DOMESTIC LEATHER EVERY YEAR
DECLARED A ‘THRUST SECTOR’ WITH A HOST OF POLICY SUPPORT
NEW TANNERY PARK ABOUT TO BE IN OPERATION
TWO DEEP SEA PORT ARE IN THE PIPELINE
A RELIABLE SOURCING DESTINATION FOR CHINA+ ONE OPTION

NOW IS THE TIME TO INVEST IN FOOTWEAR SUPPLY CHAIN:
PACKAGING, LASTS, ADHESIVES, OUTSOLES & ACCESSORIES

“...Exploring new locations and establishing production in certain parts of the world, such as Cambodia, Africa and Bangladesh will also be important.”

Matt Priest, President FDRA World Footwear, May 26, 2015

Source: http://www.lfmeab.org/
WHAT WE ARE DOING

SKILL DEVELOPMENT: THROUGH DEDICATED CENTRE OF EXCELLENCE (COEL)

13,500 workers trained (2011 - 2016)
97% absorbed in industry

BUSINESS ASSURANCE PROGRAM: COMPLIANCE, WORKER WELFARE & HEALTHCARE INSURANCE

SUSTAINABILITY INITIATIVE: INTRODUCING ENVIRONMENTAL MANAGEMENT SYSTEM, ECO-LABELING & ENERGY AUDIT
WHAT WE ARE DOING (Cont.)
THANK YOU

IMPORTANT LINKS FOR MORE INFORMATION:

http://www.lfmeab.org/
http://www.coelbd.com
http://boi.gov.bd/